

Chandler

Major Claim:

Successful firms capitalize on economies of scale and scope; they have a functional management structure and invest in research and development and grow from related diversification. This will allow them to stay ahead of competition.

Economies of scale: doing things at a bigger scale reduces costs.

Economies of scope: use the same raw materials to produce various products.

Managerial enterprise: Making necessary investments in management, production and distribution in order to capitalize in economies of scale and scope.

Research and development: New technologies, improving quality (innovation)

Management hierarchy: separation of upper and lower level management.

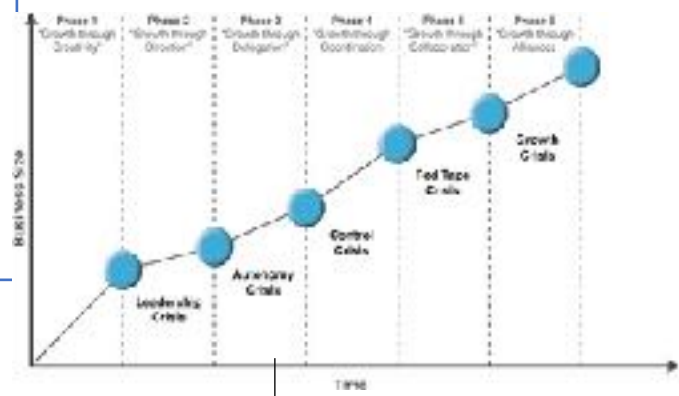
Greiner

Major Claim:

Organizational growth is done in 5 phases and by implementing the right strategies and managerial structures, they can resolve the crisis and move on.

* Each phase begins with a period of evolution and has its moments of stability and growth but eventually ends with a revolutionary period.

* Management practices that work well in one phase can bring crisis and chaos in another.



Tannenbaum & Schmidt

Continuum leadership model shows the relationship between the level of freedom that a manager chooses to give to a team and the level of authority used by the manager.

Team's freedom ↑ manager's authority ↓

3 forces that impact the choice of managerial style

1. Forces in the manager: (a) Their value system (how they feel about individuals making decisions). (b) Their confidence in subordinates (can they be trusted?). (c) Their leadership indicators (how they feel about giving orders). (d) Their feelings of security in an uncertain situation.

2. Forces in the subordinate: (a) High need for independence. (b) Readiness to assume responsibility to decision making. (c) Likes receiving orders VS likes more freedom. (d) Importance they put via company problems (their interest). (e) Have necessary knowledge and experience to deal with problems. (f) Expectations in decision making.

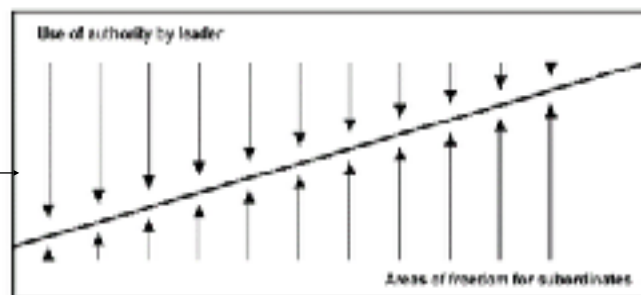
3. Forces in the situation: (a) Types of organization (values & traditions). (b) Group effectiveness. (c) The problem itself (determine how much authority to give). (d) Pressure of time. (e) Long-run strategy (shift thinking from

Solutions to crises:

1. Find strong manager with knowledge & skill to lead.
2. Work
3. Special coordination
4. Collaboration
5. ?

Secondary claim:

- Organizations should not try to skip phases.
- Top managers whose style is no longer appropriate should remove themselves.
- Growth is not inevitable.



Tells
Makes decisions, announces

Sells
Makes decisions, explains

Consults
Gets suggestions and makes their own decision

Shares
Defines limits, group decides

Delegates
Subordinates function within defined limits

Collin & Porras

Vision: provides guidance about what core to preserve and what Future to simulate progress toward.

Core ideology

Enduring character of an organization and is the source of guidance and inspiration. It is the glue that holds the organization together as it grows, diversifies, and expands globally. It is the consistent identity of the organization that transcends the product or market life cycles.

Core values:
Beliefs about what is important. Small set of timeless guiding principles. Company should not change core values in response to market change.

Core purpose: (reason for existing)
The organization's reason for being people's idealistic motivations for working at the company. → Not a goal or business strategy.

Discovering Core

(You do not set it, you discover it)

→ Needs to be authentic. Its role is to guide and inspire.
→ Needs to be meaningful and inspirational only to people inside the organization because they need to commit to the ideology over the long term.

* A clear and well-articulated ideology attracts people whose personal values are compatible with the company's core values.

→ Core values & core purpose: attract & retain those people.

Core ideology ≠ core competence

Envisioned future:

1. BHAG (big hairy audacious goal).
2. Vivid Description (what it will be like to achieve goal).

BHAG: Engages people- it reaches out and grabs them. It is tangible, energizing, highly focussed.

Vision level BHAG:

- Applies to the entire organization and requires 10- 30 years to complete
- Setting the BHAG that far into the future requires thinking beyond the current capabilities of the organization and the current environment.

BHAG should not be a sure bet, 50-70% success rate. Organization must believe that it can reach the goal.

Vivid description

Vibrant, engaging, and specific description of what it will be like to achieve BHAG. Must translate the vision from words to image that people can carry around in their heads. Passion, emotion, and conviction are essential parts of the vivid description.



Henry Mintzberg

Talks about the importance of the manager's role and the need to understand its property and thoroughly before attempting to train and develop more managers.

Becoming a more effective manager:

The Nature of (6 characteristics)

Managerial Work

1. The manager's job is a mixture of regular programmed jobs and unprogrammed jobs/tasks.
2. A manager is both a generalist and a specialist.
3. Managers rely on information from all sources but show a preference for that which is orally transmitted.
4. Managerial work is made up of activities that are characterized by brevity, variety, fragmentation.
5. Management work is more an art than a science and is reliant on intuitive processes and a feel for what is right.

3 categories of manager roles/expectations

1. Internpersonal: managing

2. Informational: managing by information

a) Monitor: collecting all types of info that is relevant and useful to the organization.(new ideas)

3. Decisional: managing through action

a) Entrepreneur: seeks to improve organization and to adapt it to changing conditions in

- Be aware of the roles you prefer. Stretch beyond those you're most comfortable with, depending on what the situation demands.
- Reduce workload by giving subordinates the information they need to be more self-sufficient.
- Avoid superficial decision making by taking advantage of expert analysts.
- Force yourself to do things you believe are important.

b) Dissemination: transmit some privileged information directly to

the environment.

French & Raven

Theory that identifies **5 bases** or sources of social organizational **power**.

1. Reward power: is the ability to compensate another for their compliance and work.

2. Coercive power: is the understanding that one has the ability to punish other for not complying.

3. Legitimate power: is based on the perception that people have the formal right to make demands, and to expect compliance and obedience from others.

4. Referent power: is the influence one has on others from being well liked or respected by others.

5. Expert power: is the ability to influence others based solely on one's in-depth knowledges, superior skills and experience.

Jay Barney

A firm will have a sustained competitive advantage if its resources and capabilities are valuable, rare, inimitable, and organized in a way that allows to exploit potential opportunities.

A firm will be successful if it has resources with the right attributes and characteristics.

* A firm's resources and capabilities include all of the financial, physical, human and organizational assets used by a firm to develop, manufacture, and deliver products or services to its customers.

- Financial: debt, equity, retained earnings
- Physical: machines, manufacturing facilities.
- Human; experience, knowledge, judgement, wisdom.
- Organizational: history, relationships, trust, culture, formal

A complete understanding of sources of competitive advantage requires the analysis of a firm's internal strengths and weaknesses as well.

Four Important questions about resources and capabilities

1. The Question of Value: Does a firm's resources and capabilities enable it to exploit an opportunity, and/or neutralize it?

2. The Question of Rareness: How many competing firms already possess these valuable resources and capabilities?

3. The Question of Imitability: Do firms without a resource or capability face a cost disadvantage in obtaining it compared to firms that already possess it?

→ **There are 3 reasons why resources can be hard to imitate:**

a. Historical conditions: Valuable and rare resources acquired or developed through unique historical circumstances can be costly to

c. The importance of socially complex resources: The resources and capabilities that are based on a company's culture or interpersonal relationships (reputation, trust, friendship, teamwork, and culture) (patents are much harder to imitate).

b. The importance of numerous small decisions: A firm's competitive advantage seems to depend on numerous "small decisions" through which a firm's resources and capabilities are developed and exploited in developing, nurturing and

4. The Question of Organization: Is a firm organized to exploit the full competitive potential of its resources and capabilities?

Kaplan and Norton

The balanced scorecard is a strategic planning and management system that is used extensively in business to align business activities to the vision and strategy of the organization, and monitor organization performance against strategic goals.

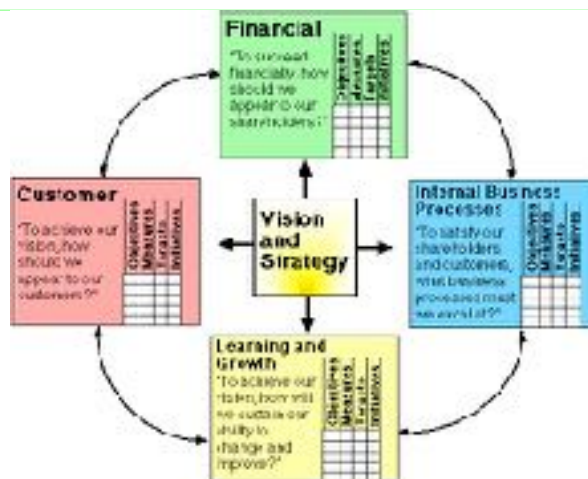
4 perspectives for a balanced scorecard

1. The Financial Perspective:

Timely and accurate funding data will always be a priority, they must ensure profitability for the shareholders. These measures indicate whether or not the company's strategy, implementation, and execution are contributing to the bottom line.

4. The custom perspective:

The importance of customer focus and customer satisfaction in any business. If customers are not satisfied, they will eventually find other suppliers that will meet their needs.



2. The internal business perspective:

Refers to the internal business process. Metrics based in this perspective is running, and whether its products and services conform to customer requirements. Metrics must develop and be designed by people within the company that knows these processes well.

3. Innovation & learning perspective:

Refers to the importance of individual and corporate self-improvement. In a knowledge-worker organization, people are the main resource, and with the rapid technological change, it is necessary for these knowledge-workers to be in a continuous learning mode. Certain metrics can be put into place to help guide managers in allocation resources where they can help most.

→ Learning and growth are the essential foundation to success of any knowledge-worker organization.

Handy and the Sigmoid curve

Sigmoid curve:

The secret to constant growth is to start a new sigmoid curve before the first one begins to diminish. When a company is left at a point B, new people will be able to lift the organization to the second curve.

The second curve: (proceed by guess and assumption)

The discipline of the second curve requires that you always assume that you are near the peak of the first curve, at point A, and should therefore be starting to prepare for second curve.

If assumption turns out to be wrong, nothing has been lost. Only the exploration phase of the second curve has been done. No major commitments will have been done until curve 2 overtakes curve 1, which won't happen if curve 1 is on the rise.

* Keeping the 2 curves going will become a habit.

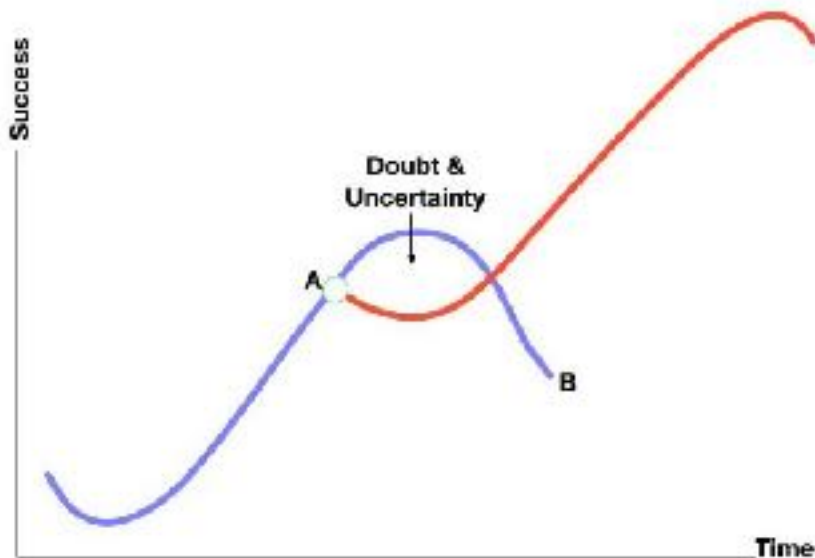
* While making second curve, it is common to challenge the assumption understanding the first curve.

The discipline of the second curve keeps one skeptical, curious, and inventive- attitudes that are essential in a time of change.

The second curve follows the traditional four-stage cycle of discovery:

- Questions start it off! → Ideas, possibilities, hypotheses.

In the second curve it is important to not re-invent the same life because that would perpetuate the first curve. Let go of the past. The second curve is always different, although it builds on and grows out of the first curve.



Paradox of time

By the time you know where you need to go, it is already too late.

Curvilinear logic: means starting life over again, something that gets harder the older you get.

Paradox of success

What got you where you are won't keep you where you are.

Curvilinear logic.

* Entrust the Curvilinear thinking to the next generation. Can see more clearly where the first curve is heading and what the next curve might look like.

The elders of the organization must allow change, give permission to be different, and then when the next curve is established, they must get out of the way. For that to happen there must be a curve for them, outside.

Herzberg

2-factor theory:

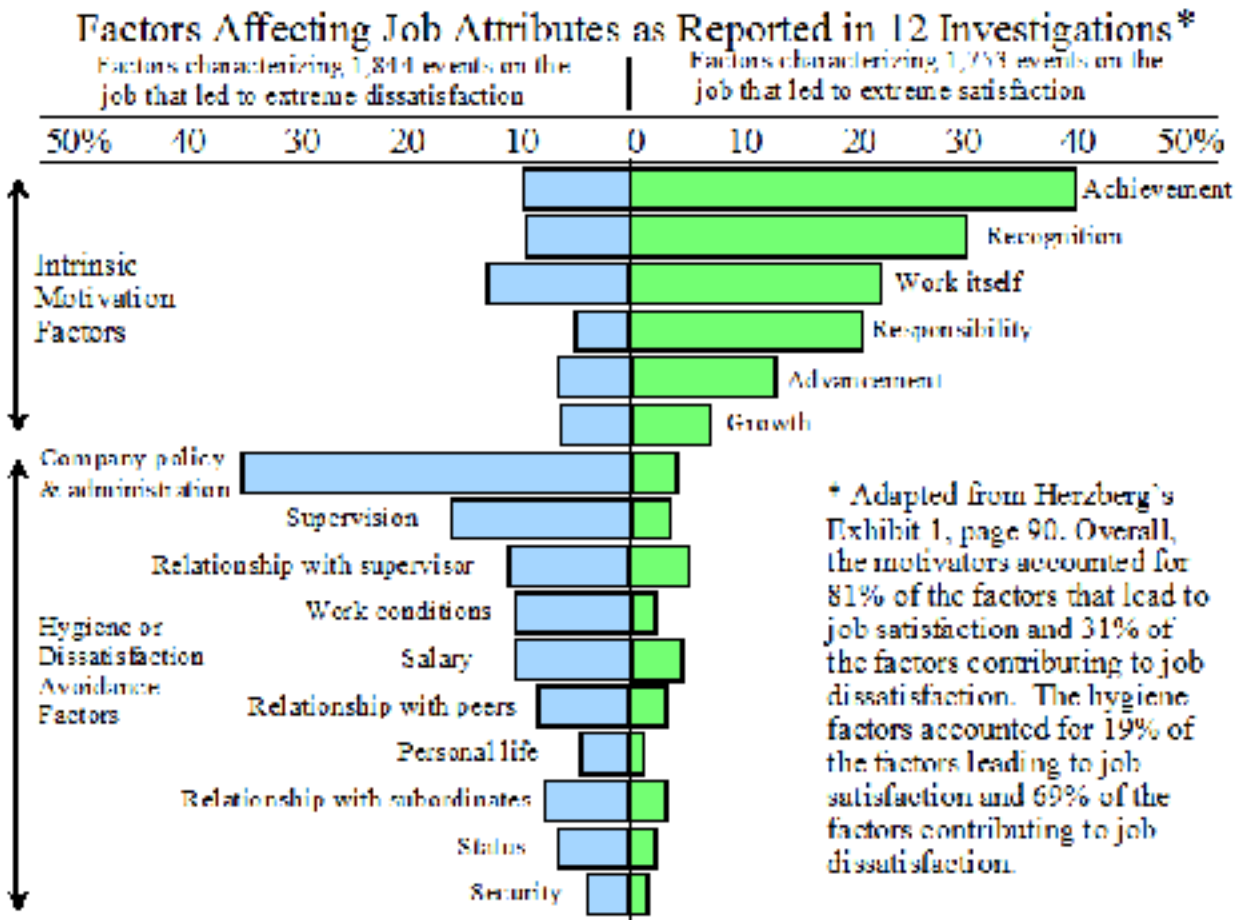
1. Hygiene factors: Needed to ensure an employee does not become dissatisfied. They do not lead motivation, but without them, there is possibilities of dissatisfaction.

Ex. Working conditions, quality of supervision, status, security, salary, company policies, interpersonal relations.

2. Motivation factors:

Needed to motivate an employee into higher performance motivators are the primary source of satisfaction.

Ex. Achievement, responsibility, growth, advancement for higher level task, interest in job, recognition for achievement.



Combining hygiene & motivation factors

1. High hygiene & high motivation: Ideal situation where employees are highly motivated and have few complaints.
2. Hygiene & low motivation: Employees have few complains but are not motivated. Job seen as paycheck.
3. Low-hygiene: Employees are motivated but have lots of complaints. A situation where job is exciting and challenging but salaries and work conditions are poor.
4. Low-hygiene & low motivation: Unmotivated employees with lots of complaints.

Job Loading

Horizontal job loading:

- Adding tasks to a job but not responsibilities.
- The meaning of the job is simply increased.

Vertical job loading:

- Adding meaningful tasks that will lead to growth.
- Additional tasks that permit growth and provide motivating factors.

Job rotation

Planned rotation of staff between jobs to alleviate monotony (lack of interest and variety) and provide a fresh job challenge. Herzberg says it is likely to improve job satisfaction but unlikely to create positive motivation.

Job enlargement

Horizontal job enlargement: Widening the range of jobs at the same level in the organization and adding them to the existing job. Herzberg says there is little motivation value in this approach.

Vertical job enlargement (Job enrichment): Provides employees with more task to do as a part of the job and gives them the responsibility and authority needed to complete the task.

- Gives people responsibility for the complete process of the task.
- Make information directly available to employees rather than send it through their managers.
- Enable people to take on new, more difficult tasks they haven't before.
- Employees gain an enhanced sense of responsibility and achievement, along with new opportunities to learn and grow.